

MSM sues Generali Insurance for RM42.8 mil over rejected insurance claim

By Izzul Ikram / theedgemalaysia.com

24 May 2024, 07:54 pm



MSM Malaysia Holdings Bhd's unit, MSM Sugar Refinery (Johor) Sdn Bhd, is suing Generali Insurance Malaysia Bhd in damages for rejecting its claim of RM42.75 million for machinery breakdown insurance policy and loss of profit from the machinery breakdown.

KUALA LUMPUR (May 24): MSM Malaysia Holdings Bhd (KL:MSM)'s unit has initiated a suit against Generali Insurance Malaysia Bhd claiming RM42.75 million in damages over a rejected insurance claim.

According to a bourse filing on Friday, the sugar refiner's wholly owned subsidiary MSM Sugar Refinery (Johor) Sdn Bhd said that its insurance claim filed in 2022 for the loss of profit arising from a boiler failure was rejected by Generali Insurance.

The unit's insurance claim was made under its machinery breakdown insurance policy and machinery breakdown loss of profit insurance policy with Generali Insurance.

"MSM Johor contends that Generali Insurance's repudiation of its claim is wrongful and in breach of the policies," it added.

Besides the RM42.75 million in damages, MSM Johor is also claiming court-assessed damages, legal costs, as well as interest of 5% per annum on the judgement sum from the date the suit was initiated (May 24) until the date of full settlement.

"There is no material operational impact from the suit," MSM said.

The group added that any potential insurance claim will only be recognised in its accounts upon realisation of a "virtually certain" positive outcome of the suit.

"Further, announcement on the material development of the above matter will be made to Bursa Malaysia Securities Bhd from time to time," it added. Messrs Azman Davidson & Co are appointed to act for MSM Johor in the suit.

Logged RM72 mil in govt incentive for 1Q

Recently, MSM extended its streak in the black to two quarters with a net profit of RM41.71 million for the first quarter ended March 31, 2024 (1QFY2024) versus a net loss of RM35.88 million a year earlier.

Revenue climbed 54% year-on-year to RM906.61 million from RM588.39 million on higher volume of sugar sold and higher sugar prices in its export markets.

This was further helped by the RM72 million in incentives the group received from the government under the ongoing incentive programme with the Ministry of Domestic Trade and Cost of Living.

Back in 4QFY2023, MSM registered RM48 million in the same incentives, which help them return to the black with a net profit of RM42.87 million. It was previously report that for November and December 2023, MSM received RM1,000 per tonne in a spec incentive for coarse grain sugar and fine grain sugar.

Shares in MSM ended 12 sen or 4.4% higher at RM2.85, valuing the group at RM2 billion.

Edited By Chester Tay

| | |
|----------|---|
| HEADLINE | MSM sues Generali Insurance for RM42.8 mil over rejected insurance claim |
| MEDIA | The Edge Malaysia - Online |
| DATE | 24 May 2024 , 7:54am |
| BY | Izzul Ikram |
| LINK | https://theedgemalaysia.com/node/712920 |